

**RFP Implementation Team (RIT) Meeting
State Library of Iowa
Ola Babcock Miller Building, 3rd Floor
1112 East Grand Ave, Des Moines, IA 50319**

November 28, 2011

To ensure the most efficient use of State resources, the November 28, 2011, RIT meeting will be held via a video conference pursuant to Iowa Code section 21.8. Members of the public and interested person are invited to attend the Commission's meeting via video conference. A video conference also ensures more attendees will be able to participate in the meeting and reduces the risk of delays caused by weather or other impediments to travel. The meeting was also accessible to members of the public through attendance at the Grimes State Office Building.

RIT Members Present:

Gretchen Bartelson, Iowa Community Colleges
Meghan Gavin – Office of the Attorney General
Mark Headlee – Judicial Branch
Sergeant Tom Lampe – Iowa Department of Public Safety
Dave Lingren, Iowa Telecommunications and Technology Commission
Andy Nielsen – Office of the Auditor of State
Todd Schulz – Governor's Office/Iowa Department of Management
Art Spies – Iowa Hospital Association
Representative John Wittneben – Iowa Democrat House

RIT Members Absent:

Jeff Berger – Iowa Department of Education
Representative Walt Rogers – Iowa Republican House
Senator Matt McCoy – Senate

Fiberutilities Group Staff Present:

Dave Lunemann, Fiberutilities Group
Rob Smith, Fiberutilities Group
Jerry Romine, Fiberutilities Group

Iowa Communications Network Staff Present:

Joseph Cassis, Chief Communications Officer
Will Walling, Network Operations and Engineering Director
Mark Johnson, Administration Director
Phil Groner, Business Services Manager
David Marley, Network Operations and Engineering Manager
Tami Fujinaka, Government Relations Officer
Alexis Slade, Executive Secretary (Recorder)
Lori Larsen, Public Relations Officer
Christopher Hannan, Intern
Vicki Wallis, Network Planning Engineer

Guests:

Joe Hrdlicka, Iowa Telecommunications Association
Lon Anderson, Iowa House
Sheila Navis, Rural Iowa Independent Telephone Association
Wayne Johnson, Century Link
Anna Hyatt-Crozier, House Democrat Staff
Dwayne Ferguson, Legislative Services Agency (LSA)
Theresa Kehoe, Legislative Senate Democrat
Russ Trimble, Senate Republican Caucus

Recap

Notes

A hard copy of the November 21, 2011 RIT meeting notes were distributed to members in attendance and the electronic copy will be posted to the ICN website after the completion of the November 28, 2011 meeting.

Clarifications

Clarifications from the last RFP Implementation Team (RIT) meeting:

Modification for Assumption #11

Original:

11. A lease of the network assets will require the State of Iowa to maintain some of the personnel functions currently being performed by the ICN during the lease period. These costs would be reflected in the calculation of the lease payment deemed acceptable by the *seller*. The RFP will indicate which network related costs would need to be maintained by the state.

Modification Suggestion:

11. A lease of the network assets will require the State of Iowa to maintain some of the personnel functions currently being performed by the ICN during the lease period. These costs would be reflected in the calculation of the lease payment deemed acceptable by the *lessor*. The RFP will indicate which network related costs would need to be maintained by the state.

Modification for Assumption #12

Original:

12. The legislation requires the new buyer / lessee to provide continued service of existing authorized users with specific products at specific price points. To ensure a transition with minimal user impact, *ICN operational staff existing at the time of bid acceptance will remain in place for a minimum period of 12 months from closure date and transfer*. These costs will be factored into a sale or lease cost.

Modification Suggestion:

12. The legislation requires the new buyer / lessee to provide continued service of existing authorized users with specific products at specific price points. To ensure a transition with minimal user impact, *ICN operational staff existing at the time of bid acceptance will remain in place for a minimum period of 12 months from closure date and transfer. This period of time may be extended upon mutual agreement*. These costs will be factored into a sale or lease cost.

RFP Assumptions and Definitions

Assumption #13: The buyer or lessee of the ICN will be allowed to use the network to serve only existing authorized users. ICN assets will remain a closed or restricted access network for a new buyer / lessee. It is assumed H.F. 45 – Sec. 8 does not nullify the current statute restricting the ICN to “currently defined” authorized users.

Discussion: Assumption presented to be separated. When separated, the first proposed assumption would identify ICN service expectations if the network were to be purchased. The second proposed assumption would identify ICN service expectations if the network were to be leased. Please refer to assumption numbers 32 and 33.

Question 1: Who are the authorized users of the ICN?

Response: Authorized users include:

Educational facilities:

- a. Public or private K-12 schools
- b. Public or private school administration facilities
- c. Area Education Agencies (AEA's)
- d. Local school board offices
- e. Accredited private nonprofit colleges or universities eligible for tuition grants

- f. Regents facilities
- g. Community colleges
- h. Off-site, dedicated classrooms, wherever located
- i. Iowa law enforcement academy
- j. University-affiliated research facilities

State agency facilities:

- a. State departments, agencies, and field offices
- b. Iowa National Guard facilities
- c. Judicial branch facilities
- d. Community-based correction facilities
- e. Buildings owned or leased by the state
- f. Iowa state fairgrounds
- g. Legislative branch facilities

Federal government facilities:

- a. Federal departments and agencies including regional, territorial, zone and state offices
- b. Federal Judicial Branch facilities
- c. Federal Legislative Branch facilities
- d. Buildings owned or leased by the federal government

Some additional authorized users are; the United States Post Offices, telemedicine connectivity, library connectivity, county and local government facilities, and emergency services for county and local government facilities.

Question 2: What would be the advantages or disadvantages of having the network opened?

Response: If the network is not open as it exists today and House File 45, Section 8 says that the buyer or lessee must provide services at a “lower overall long-term” rate. There would be the current expenses, plus any additional expenses such as lease or purchase cost, and possibly Right of Way (ROW) expenses. If the network is not opened, a buyer or lessee’s abilities would be restricted, especially to a lessee.

***Please note - assumption #13 has been rewritten. Please refer to assumptions 32 and 33 provided on the assumption list.**

Statement of Preference:

Todd Schulz – Disagree with the way the assumption is written

Andy Nielsen – Disagree with the way the assumption is written

Representative John Wittneben – Disagree with the way the assumption is written

Mark Headlee – Disagree with the way the assumption is written

Sergeant Tom Lampe – Disagree with the way the assumption is written

Art Spies – Disagree with the way the assumption is written

Meghan Gavin – Disagree with the way the assumption is written

Dave Lingren – Disagree with the way the assumption is written

Gretchen Bartelson – Disagree with the way the assumption is written

Assumption #14: Any new buyer or lessee of the ICN must continue to provide all products in use as of bid closing at a “lower overall long-term cost”.

Discussion: Discussion about the length of time that the buyer or lessor of the ICN should maintain costs of services. Please refer to assumption 16.

Statement of Preference:

Andy Nielsen – Agree
Representative John Wittneben – Agree
Mark Headlee – No opinion
Sergeant Tom Lampe – Agree
Art Spies – Agree
Meghan Gavin – No opinion
Dave Lingren – Agree
Gretchen Bartelson – No opinion

Assumption #15: Authorized users will consist of all entities falling under the current statutory definition irrespective of if those authorized users are current active customers of the ICN. An authorized user list will be identified in the RFP.

Summary: “Authorized User” is not defined by a list of entities but by a classification of users. This list of users defined by Chapter 8D would remain authorized users in the future. See listing in assumption #13.

Statement of Preference:

Andy Nielsen – Agree
Representative John Wittneben – Agree
Mark Headlee – Agree
Sergeant Tom Lampe – Agree
Art Spies – Agree
Meghan Gavin – No opinion
Dave Lingren – Agree
Gretchen Bartelson – Agree

Assumption #16: The period of time that “lower overall long-term cost” must be maintained will be for a period of 5 years for all currently provided services, with the exception of the Capitol Complex telephone system, from the contractual finalization of a sale or lease.

Summary: The Capitol Complex phone system is a separate service provided to State of Iowa agencies located on the capitol complex and is not an inherent part of the network.

Discussion: The five year standard length of service timeframe should be reflected in both assumption 8 and 16.

Statement of Preference:

Andy Nielsen – No opinion
Representative John Wittneben – Agree
Mark Headlee – Agree
Sergeant Tom Lampe – No opinion
Art Spies – Agree
Meghan Gavin – No opinion
Dave Lingren – Agree
Gretchen Bartelson – No opinion

Assumption #17: “Lower overall long-term cost” will be defined in the RFP as 1% or greater lower than the current product cost as identified in the price list stated in the RFP.

Discussion: Though it may be difficult to identify all related costs related to running the network, some amount must be used to identify “lower overall long-term cost”.

Statement of Preference:

Andy Nielsen – No Opinion
Representative John Wittneben – No Opinion

Mark Headlee – Agree
Sergeant Tom Lampe – Agree
Art Spies – Agree
Meghan Gavin – No opinion
Dave Lingren – Agree
Gretchen Bartelson - Agree

Assumption #18: “Lower overall long-term cost” must also include the annualized maintenance cost as incurred by the State of Iowa through Infrastructure Appropriations averaged over the last three-year period less the amount of dollars used for the one-time expense of upgrading the Capitol Complex telephone system.

Summary: ICN functions as the manager of the Capitol Complex phone system. ICN does receive an infrastructure appropriation each year to perform upgrades to equipment included in the system. Over 50% of the appropriation money has been used to upgrade the no longer manufactured, 25 year-old Capitol Complex phone system. This appropriation is not to be calculated into the overall long term cost to running the network, due to the relationship for continuation of government in the event of a disaster.

Statement of Preference:

Andy Nielsen – No opinion
Representative John Wittneben – Agree
Mark Headlee – No opinion
Sergeant Tom Lampe – Agree
Art Spies – Agree
Meghan Gavin – No opinion
Dave Lingren – Agree
Gretchen Bartelson - Agree

Assumption #19: A lessee will receive a Service Level Agreement (SLA) that clearly indicates which network functions will be maintained on an ongoing basis by the lessor.

Summary: This assumption is referring to the creation of a new SLA that would identify to the buyer or lessor of the network on what will be maintained and what those conditions will be.

Statement of Preference:

Andy Nielsen – No opinion
Representative John Wittneben – Agree
Mark Headlee – Agree
Sergeant Tom Lampe – Agree
Art Spies – Agree
Meghan Gavin – No opinion
Dave Lingren – Agree
Gretchen Bartelson - Agree

Assumption #20: The ICN has current service standards that are agreed to with both government and non-government users of the network. These will be stated in the RFP. The buyer / lessee must continue to meet the same level of response and service restoration timeframes stated in these agreements.

Summary: The ICN, as a corporate telecom provider, often has shorter installations and service restoral timeframes than standard telecom industry timeframes.

Statement of Preferences:

Andy Nielsen – No opinion
Representative John Wittneben – Agree

Mark Headlee – Agree
Sergeant Tom Lampe – Agree
Art Spies – Agree
Meghan Gavin – No opinion
Dave Lingren – Agree
Gretchen Bartelson - Agree

Assumption #21: The management of the Capitol Complex Phone system and all connected devices will remain within the administrative function of the State of Iowa.

Question 1: Can an example be provided of what some of the connective devices would be?

Response: This question was addressed in assumption 16 with a conclusion that the Capitol Complex phone system is not a part of the ICN network, due to the continuation of government function needed.

Statement of Preference:

Andy Nielsen – Agree
Representative John Wittneben– Agree
Mark Headlee – Agree
Sergeant Tom Lampe – Agree
Art Spies – Agree
Meghan Gavin – No opinion
Dave Lingren – Agree
Gretchen Bartelson – Agree

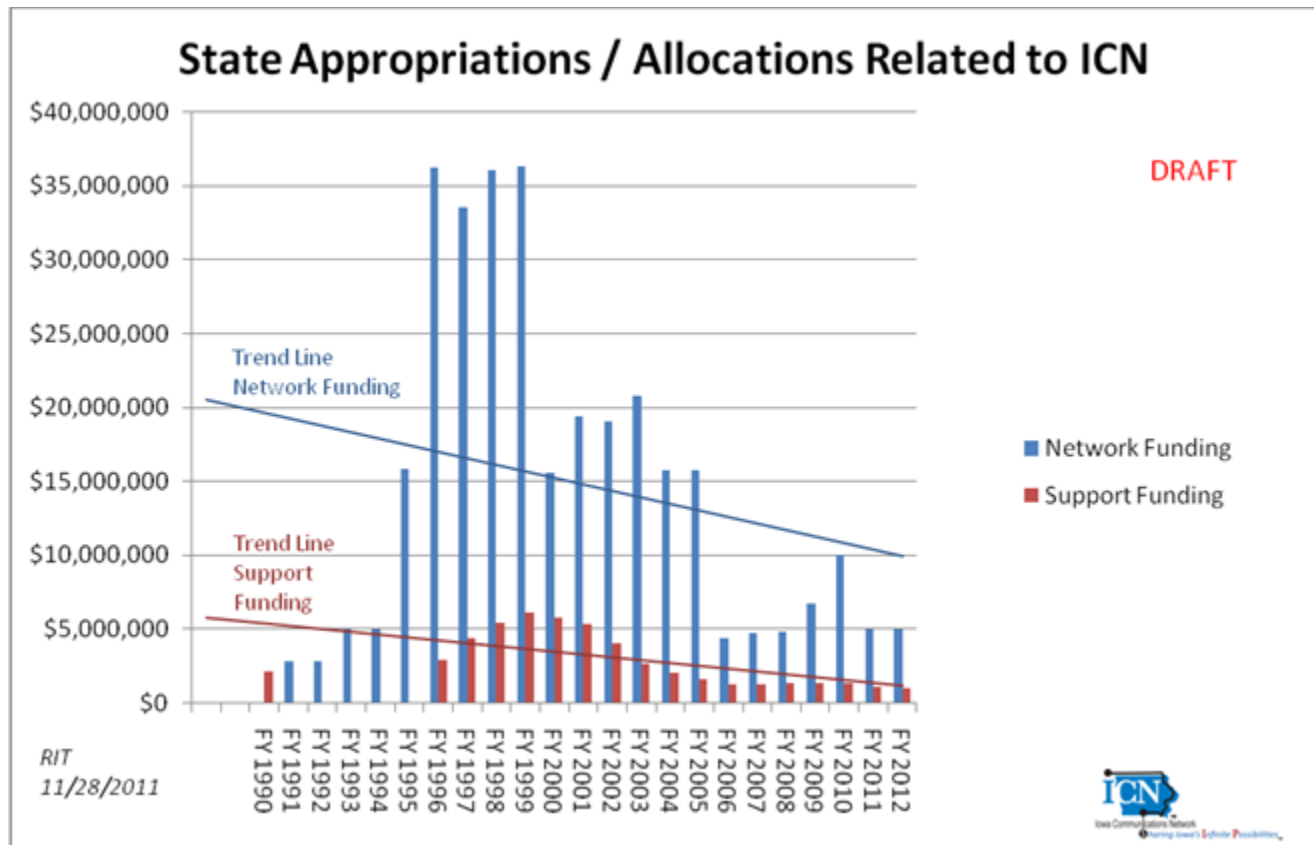
Questions:

Public Comments:

Comment 1: I appreciate all the discussion around the differences between the public and private ownership of the ICN network and bringing a lot of those costs to light such as ROW. I would like to see an assumption created regarding the different taxes. There are taxes on equipment and revenue that might have more of an impact to a private sector than it would to the public sector.

Follow up Questions:

During the organizational RIT meeting, a question was posed about State appropriations and allocations related to the ICN. Below is a appropriations graph and spreadsheet with that financial information:



State Appropriations/Allocations Related to ICN

DRAFT

FY	Appropriation/Allocation	Appropriated - Allocated Amount	Support Funding	Network Ownership Funding	Use	Total Appropriations by Fiscal Year	Appropriations - Ownership by FY	Appropriations Use by FY
1990	FY 1990 Standing General Fund Appropriation Less Deappropriations	\$ 2,100,000	X		U	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000
1991	FY 1991 Standing General Fund Appropriation Less Deappropriations	\$ -	X		U	\$ -		
1992	FY 1992 Standing General Fund Appropriation Breakdown Construction	\$ 1,600,177		X	C	\$ 2,800,000	\$ 2,800,000	\$ 1,600,177
	FY 1992 Standing General Fund Appropriation Breakdown Personnel	\$ 313,470		X	O			\$ 342,992
	FY 1992 Standing General Fund Appropriation Breakdown Operating	\$ 29,522		X	O			
	FY 1992 Standing General Fund Appropriation Breakdown Other	\$ 856,831		X	U			\$ 856,831
1993	FY 1993 Standing General Fund Appropriation Breakdown Construction	\$ 2,690,341		X	C	\$ 5,000,000	\$ 5,000,000	\$ 4,556,000
	FY 1993 Standing General Fund Appropriation Breakdown Debt Service	\$ 1,068,454		X	C			
	FY 1993 Standing General Fund Appropriation Breakdown Bond Finance	\$ 797,205		X	C			
	FY 1993 Standing General Fund Appropriation Breakdown Personnel	\$ 324,000		X	O			\$ 444,000
	FY 1993 Standing General Fund Appropriation Breakdown Operating	\$ 120,000		X	O			
1994	FY 1994 Standing General Fund Appropriation Breakdown Construction	\$ 1,475,294		X	C	\$ 5,000,000	\$ 5,000,000	\$ 2,800,875
	FY 1994 Standing General Fund Appropriation Breakdown Debt Service	\$ 1,325,581		X	C			
	FY 1994 Standing General Fund Appropriation Breakdown Operating	\$ 1,875,125		X	O			\$ 1,875,125
	FY 1994 Standing General Fund Appropriation Breakdown Personnel	\$ 324,000		X	O			\$ 324,000
1995	State Communications Network Fund	\$ 5,000,000		X	O	\$ 15,802,234	\$ 15,802,234	\$ 10,600,000
	Supplemental for Operations and Debt Service	\$ 5,202,234		X	C			\$ 5,202,234
	DOC - ICN Match and Conv. Lease Analog Lines - RIIF	\$ 5,600,000		X	O			
1996	ICN Debt Service	\$ 12,783,000		X	C	\$ 39,194,400	\$ 36,244,400	\$ 31,573,000
	ICN Part III - RIIF	\$ 18,790,000		X	C			
	ICN Operations	\$ 4,671,400		X	O			\$ 4,671,400
	Part III Support Services - ITTC	\$ 1,700,000	X		P		\$ 2,950,000	\$ 1,700,000
	ICN Revolving Fund - Cash Floor Repaid	\$ 1,000,000	X		U			\$ 1,250,000
	Sale/Conversion Study	\$ 250,000	X		U			
1997	ICN Debt Service	\$ 12,754,000		X	C	\$ 37,904,000	\$ 33,554,000	\$ 33,554,000
	ICN Part III - RIIF	\$ 20,800,000		X	C			
	Part III Support Services - Dept. of Ed	\$ 1,950,000	X		P			\$ 1,950,000
	Video Subsidization	\$ 2,400,000	X		S		\$ 4,350,000	\$ 2,400,000
1998	ICN Debt Service - Treasurer of State	\$ 12,514,756		X	C	\$ 41,495,772	\$ 36,065,772	\$ 36,065,772
	ICN Part III - RIIF	\$ 22,640,000		X	C			
	DOC - ICN Match and Conv. Lease Analog Lines - RIIF	\$ 411,016		X	C			
	Part III Support Services	\$ 2,200,000	X		P		\$ 5,430,000	\$ 2,200,000
	Expansion of Backbone	\$ 500,000		X	C			
	Video Subsidization	\$ 3,230,000	X		S			\$ 3,230,000
1999	ICN Debt Service - Treasurer of State	\$ 12,782,000		X	C	\$ 42,445,134	\$ 36,286,000	\$ 32,286,000
	ICN Part III - RIIF	\$ 18,904,000		X	C			
	ATM Optics Replacement - Reversion Incentive Fund	\$ 4,000,000		X	G			\$ 4,000,000
	Part III Support Services - Dept. of Ed	\$ 2,312,853	X		P		\$ 6,159,134	\$ 2,312,853
	Video Subsidization	\$ 3,771,281	X		S			\$ 3,771,281
	DOC - Newton Connection - Tech Acct	\$ 300,000		X	C			
	DOC - Ft. Dodge Connection - Tech Acct	\$ 300,000		X	C			
	Network Study	\$ 75,000	X		U			\$ 75,000

State Appropriations/Allocations Related to ICN

DRAFT

FY	Appropriation/Allocation	Appropriated - Allocated Amount	Support Funding	Network Ownership Funding	Use	Total Appropriations by Fiscal Year	Appropriations - Ownership by FY	Appropriations Use by FY
2000	ICN Debt Service - Treasurer of State	\$ 12,861,000		X	C	\$ 21,315,115	\$ 15,542,685	\$ 12,861,000
	ICN Part III Maintenance and Leases - RIIF	\$ 2,681,685		X	M			\$ 2,681,685
	Part III Support Services - IPTV	\$ 2,337,430	X		P		\$ 5,772,430	\$ 2,337,430
	Video Subsidization	\$ 3,435,000	X		S			\$ 3,435,000
2001	ICN Debt Service - Treasurer of State	\$ 12,860,000		X	C	\$ 24,748,642	\$ 19,387,004	\$ 12,860,000
	ATM Conversion - Pooled Technology	\$ 3,800,000		X	G			\$ 3,800,000
	ICN Part III Maintenance and Leases - RIIF	\$ 2,727,004		X	M			\$ 2,727,004
	Part III Support Services - IPTV	\$ 2,179,718	X		P		\$ 5,361,638	\$ 2,179,718
	Video Subsidization	\$ 3,181,920	X		S			\$ 3,181,920
2002	ICN Debt Service - Treasurer of State	\$ 12,804,608		X	C	\$ 23,100,574	\$ 19,031,612	\$ 12,804,608
	ATM Conversion - Tobacco Funds	\$ 3,500,000		X	G			\$ 3,500,000
	ICN Part III Maintenance and Leases - Pooled Technology	\$ 2,727,004		X	M			\$ 2,727,004
	Part III Support Services - IPTV	\$ 1,952,091	X		P		\$ 4,068,962	\$ 1,952,091
	Video Subsidization	\$ 2,116,871	X		S			\$ 2,116,871
2003	ICN Debt Service RCF Treasurer of State	\$ 13,044,784		X	C	\$ 23,393,780	\$ 20,771,788	\$ 13,044,784
	ATM Conversion - Tobacco Capitalization Fund	\$ 5,000,000		X	G			\$ 5,000,000
	ICN Part III Maintenance and Leases - RIIF	\$ 2,727,004		X	M			\$ 2,727,004
	Part III Support Services - IPTV	\$ 1,619,636	X		P		\$ 2,621,992	\$ 1,619,636
	Video Subsidization	\$ 1,002,356	X		S			\$ 1,002,356
2004	ICN Debt Service RCF Treasurer of State	\$ 13,039,378		X	C	\$ 17,855,934	\$ 15,766,378	\$ 13,039,378
	ICN Part III Maintenance and Leases RIIF - Dept. of Ed	\$ 2,727,000		X	M			\$ 2,727,000
	Part III Support Services - IPTV	\$ 1,600,806	X		P		\$ 2,089,556	\$ 1,600,806
	Video Subsidization	\$ 488,750	X		S			\$ 488,750
2005	ICN Debt Service - Treasurer of State	\$ 13,039,778		X	C	\$ 17,367,584	\$ 15,766,778	\$ 13,039,778
	ICN Part III Maintenance and Leases RIIF - Dept. of Ed	\$ 2,727,000		X	M			\$ 2,727,000
	Part III Support Services - IPTV	\$ 1,600,806	X		P		\$ 1,600,806	\$ 1,600,806
2006	ICN Equipment Replacement - RCF	\$ 1,704,719		X	M	\$ 5,672,197	\$ 4,431,719	\$ 4,431,719
	ICN Part III Maintenance and Leases RIIF - Dept. of Ed	\$ 2,727,000		X	M			
	Part III Support Services - General Fund - IPTV	\$ 1,240,478	X		P		\$ 1,240,478	\$ 1,240,478
2007	ICN Equipment Replacement - TRF	\$ 1,997,500		X	M	\$ 5,964,978	\$ 4,724,500	\$ 4,724,500
	ICN Part III Maintenance and Leases TRF - Dept. of Ed	\$ 2,727,000		X	M			
	Part III Support Services - General Fund - IPTV	\$ 1,240,478	X		P		\$ 1,240,478	\$ 1,240,478
2008	ICN Equipment Replacement - TRF	\$ 2,067,000		X	M	\$ 6,158,525	\$ 4,794,000	\$ 4,794,000
	ICN Part III Maintenance and Leases TRF - Dept. of Ed	\$ 2,727,000		X	M			
	Part III Support Services - General Fund - IPTV	\$ 1,364,525	X		P		\$ 1,364,525	\$ 1,364,525
2009	Capitol Complex Fiber Redundancy	\$ 1,800,000		X	G	\$ 8,081,648	\$ 6,717,123	\$ 1,800,000
	ICN Equipment Replacement - TRF	\$ 2,190,123		X	M			\$ 4,917,123
	ICN Part III Maintenance and Leases TRF - Dept. of Ed	\$ 2,727,000		X	M			
	Part III Support Services - General Fund - IPTV	\$ 1,364,525	X		P		\$ 1,364,525	\$ 1,364,525

State Appropriations/Allocations Related to ICN

DRAFT

FY	Appropriation/Allocation	Appropriated - Allocated Amount	Support Funding	Network Ownership Funding	Use	Total Appropriations by Fiscal Year	Appropriations - Ownership by FY	Appropriations Use by FY
2010	Capitol Complex Fiber Redundancy	\$ 2,755,246		X	G	\$ 11,358,166	\$ 10,014,109	\$ 2,755,246
	ICN Equipment Replacement - TRF	\$ 2,211,863		X	M			\$ 7,258,863
	ICN Part III Maintenance and Leases TRF - Dept. of Ed	\$ 2,727,000		X	M			
	Generator Replacement - TRF	\$ 2,320,000		X	M			
	Part III Support Services - General Fund - IPTV	\$ 1,344,057	X		P		\$ 1,344,057	\$ 1,344,057
2011	ICN Equipment Replacement - TRF	\$ 2,244,956		X	M	\$ 6,037,136	\$ 4,971,956	\$ 4,971,956
	ICN Part III Maintenance and Leases TRF - Dept. of Ed	\$ 2,727,000		X	M			
	Part III Support Services - General Fund - IPTV	\$ 1,065,180	X		P		\$ 1,065,180	\$ 1,065,180
2012	ICN Equipment Replacement - TRF	\$ 2,248,653		X	M	\$ 5,968,566	\$ 4,975,653	\$ 4,975,653
	ICN Part III Maintenance and Leases TRF - Dept. of Ed	\$ 2,727,000		X	M			
	Part III Support Services - General Fund - IPTV	\$ 992,913	X		P		\$ 992,913	\$ 992,913
	Appropriations by Use							
	Construction							
	Upgrade							
	Maintenance/Equipment Replacement							
	Operations							
	Support							
	Subsidization							
	Unknown							
	Appropriations by Network Ownership							
	Network funding tied to ownership of the network							
	Support funding that the would be realized whether or not the state owned the network							

Question and Answer:

Statement: The spreadsheet lists the appropriation use. That key shows the colors for construction, upgrades, maintenance, operations, support, etc. The support funding is not a cost of operating the ICN but a cost to the users procuring the service. A lot of what's in the pink is the appropriations given from the legislation to the Department of Education to help pay the part III uses the schools have as part of their expense of procuring services. The blue section of the chart shows the network funding which is what it will cost to construct, maintain and operate the ICN. There were appropriations made from legislators to replace ICN's generators.

Question 1: When looking at the two descending horizontal lines in the blue region, was that funding for the Capitol Complex electronics and those sorts of things?

Answer: Yes, those are the dollars ICN received from appropriations.

Question 2: When looking at the four tallest blue lines are those the costs of creating Part I, II and some of III?

Answer: That would have been Part III at that time. There are Part III users today who were not part of that initial build out, but have been added since then. Initially, the state built out those facilities and turned them over to the private industry that then turned around and leased back from them on a Part III lease.

Question 3: Moving past 2006, it costs about \$5 million a year for electronics and things like that?

Answer: Yes, but also including the lease of Part III facilities to provide service.

Question 4: For the years 2000 - 2005, what were those appropriations for?

Answer: That was prior to the ICN operating without general fund support. ICN, at that time, received general fund appropriations until 2005; ICN wasn't a self-supported agency until that point.

Question 5: In the event the ICN is sold or leased, the red support lines would completely go away or turn into something different?

Answer: Yes, the red support lines would go away and the users would have to pay a higher rate without those appropriations or the rates would remain the same for the users and the legislature would need to continue to appropriate these funds for the procurement of services.

Question 6: If the State is going to continue to help fund the network and that's going to be part of the price; will that be for five years or will that be initially what the State gives them for five years and then what will happen to education?

Answer: If legislation discontinues that appropriation at the end of five years, then education would have to pay the full rate for procuring services.

Adjournment

The December 5, 2011 RIT meeting will be held at the Grimes Building on the 2nd floor. Please continue to create new assumptions.